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FINNEGAN, HENDERSON, FARABOW, GARRETT & DUNNER
LLP
1300 I STREET, NW
WASHINGTON, DC 20005

EXAMINER

PATEL, JAGDISH

ART UNIT PAPER NUMBER

3624

DATE MAILED: 12/05/2003

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/579,787

Applicant(s)

CHEONG ET AL. *SW*

Examiner

JAGDISH N PATEL

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 09 September 2003.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-66 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-7, 12-20, 25-33, 38-44, 49-52 and 57-66 is/are rejected.
- 7) ☒ Claim(s) 8-11, 21-24, 34-37, 45-48 and 53-56 is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
- Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. §§ 119 and 120

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. _____.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- * See the attached detailed Office action for a list of the certified copies not received.
- 13) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. § 119(e) (to a provisional application) since a specific reference was included in the first sentence of the specification or in an Application Data Sheet. 37 CFR 1.78.
- a) ☐ The translation of the foreign language provisional application has been received.
- 14) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. §§ 120 and/or 121 since a specific reference was included in the first sentence of the specification or in an Application Data Sheet. 37 CFR 1.78.

Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☒ Information Disclosure Statement(s) (PTO-1449) Paper No(s) 12.
- 4) ☐ Interview Summary (PTO-413) Paper No(s) _____.
- 5) ☐ Notice of Informal Patent Application (PTO-152)
- 6) ☐ Other: _____

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DETAILED ACTION

1. This communication is in response to amendment filed 9/9/03.

Response to Amendment

2. The specification and Claims 1, 15, 28, 41 and 49 and dependent claims 11, 13, 37, 39-40, 48 and 56 have been amended per request. New claims 57-66 have been added.

3. In response to the amendment, objections to the specification due to embedded hyperlinks, under 35 USC 112 (first) have been withdrawn. Also claim rejections under 35 USC 112(first) and 35 USC 112(second) have been withdrawn.

Response to Arguments

4. Applicant's arguments regarding claim rejections under 35 USC 102 and 35 USC 103 filed 9/9/03 have been fully considered but they are not persuasive.

5. The applicant argues that the amended claims 1, 15, 28, 41 and 49 patentably distinguishable over the cited art because they recite "at least one credit card" or "surrogate funding source comprising a credit card account". On the other hand, the applied reference uses "stored value card". The examiner disagrees with this assessment of the applied prior art. There is no distinction made between limitations "credit account" card

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and a "credit card account". As pointed out in the Summary of the Invention, p. 5 L 8-10 "... a credit card belonging to the surrogate system is assigned to the user. ...the credit card is loaded with is loaded with funds from the user's corresponding funded account, and used to complete the purchase transaction."

6. Therefore, the term "credit card account" is not distinguished from the term "credit account". In both instances, the term refers to an account having a pre-established credit. Applied reference of Boesch clearly teaches at col. 3 L 1-3 "each consumer's account stored in the database is established by the consumer authorizing funds to be transferred into the account at the CVA from the consumer's bank account". This recitation further confirms that Boesch refers to a stored value card account in the same context as the term "credit card account" of the instant claim and that no patentable distinction can be made between the two terms.

7. The applicant's statement that "the invention as recited in claims 1, 15, 28, 41 and 49 ,Boesch at least does not teach or suggest a credit card account as surrogate funding source in electronic commerce." Contradicts with amended claim 1 for example, recites limitation " transferring funds ..from the

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surrogate account to the at least one credit card account;" which suggests that the credit card account is not a surrogate funding source.

8. For the aforementioned reasons, the applicant's arguments are not persuasive and therefore, the 102(e) rejections of claims 1, 3, 5, 7, 15, 17, 20, 28, 30, 33, 41, 42, 44, 49, 50, and 52 under 35 U.S.C. 102(e) as being clearly anticipated by Boesch and 103(a) rejections of claims 2, 4, 6, 12-14, 16, 18, 19, 25-27, 29, 31, 32, 38-40, 43, and 51 are rejected under 35 U.S.C. 103(a) are maintained.

Claim Rejections - 35 USC §101

9. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requires of this title.

10. Claim 57 is rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

The invention as recited in the claims is merely an abstract idea that is not within the technological arts. Mere ideas in the abstract (i.e., abstract idea, law of nature, natural phenomena) that do not apply, involve, use, or advance the technological arts fail to promote the "progress of science and the useful arts" (i.e., the physical sciences as opposed to

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social sciences, for example) and therefore are found to be non-statutory subject matter.

The examiner presents the following rulings in support of the aforementioned analysis.

The phrase "technological arts" is synonymous with the phrase "useful arts" as it appears in Article I, Section 8 of the Constitution, *In re Waldbaum*, 167 USPQ 280 (CCPA 1970) and *In re Johnston*, 183 USPQ 172 (CCPA 1974).

More recent ruling by the U.S. Patent and Trademark Office, Board of Patent Appeals and Interferences (*Ex Parte Bowman*, 61 USPQ2d 1669) also supports the assertion that an invention must "promote the progress of science and the useful arts" and that the invention must fall within the definitions of technological arts in order to be statutory under 35 U.S.C. 101. Note that the *Bowman* ruling cannot be used as a precedent but cited for its analysis of the claims for patentability under 35 U.S.C. 101.

Claim 57 recites a single method step that of updating a debit card ..with an available spending limit associated with a debit card. This method step can be performed by a human act without a computer (e.g. manually entering the numbers) and therefore broadly interpreted as being not within technological art and therefore non-statutory subject matter.

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11. Claims 58-59 are rejected under 35 USC § 101 because the claimed inventions are directed to non-statutory subject matter. Claims 58-60 are directed to disembodied data structure which are per se are not statutory (*In re Warmerdam*, No. 93-1294 (Fed. Cir. August 11, 1994)). As an example, claim 58 recites a system comprising a physical debit card. Note that a physical debit card is a "Nonfunctional descriptive material" or a data arrangement not capable of having any functionality per se. The system claimed may only be statutory under 35 USC 101 so that the claimed system (or a device) be capable of producing a useful, concrete and tangible result.

Claim Rejections - 35 USC § 112

12. The following is a quotation of the first paragraph of 35 U.S.C. 112:

The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same and shall set forth the best mode contemplated by the inventor of carrying out his invention.

13. Claims 58-61 are rejected under 35 U.S.C. 112, first paragraph as having undue breadth because the claims contain means recitation that does not appear in combination with another recited element of means (refer to MPEP 2164.08(a)).

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The reference claims only recite a single means. Claim 58 recites a physical debit card, claim 59 recites "at least one surrogate processing system", claims 60 and 61 each recite "a processing system" without defining the system. Each of these elements is not recited in combination with any other elements that further define the means for surrogate control of electronic transactions.

14. Claims 57-61 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

15. The aforementioned claims recite a single step (claim 57) or a single element (e.g. "a physical debit card"). The claimed inventions therefore, have no other steps (for the method) or means (for system. Device or apparatus) which would enable any functionality to be achieved. The claimed are therefore, fail to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

Claim Rejections - 35 USC § 102

16. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless -

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

17. Claims 1, 3, 5, 7, 15, 17, 20, 28, 30, 33, 41, 42, 44, 49, 50, and 52 are rejected under 35 U.S.C. 102(e) as being clearly anticipated by Boesch (US Pat. 6,295,522) (Boesch).

As per claims as aforementioned, Boesch discloses a method (and system) for surrogate control of electronic commerce transactions having method steps (or elements of a system) as per aforementioned claims. Please refer to Figure 3-6 and relevant description provided in the entire specification.

Claim Rejections - 35 USC § 103

18. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

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a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

19. Claims 2, 4, 6, 12-14, 16, 18, 19, 25-27, 29, 31, 32, 38-40, 43, 51 are rejected under 35 U.S.C. 103(a) as being unpatentable over Boesch as applied to claim 1 (exemplary of claims 28, 41 and 49) and further in view of established business method practices.

Regarding claims 2, 16 and 29 Boesch fails to disclose fraud detection as claimed. However, official notice is taken that performing fraud detection (such as monitoring customer accounts for suspicious activities) for bank accounts and credit card accounts is old and well known. Furthermore, it is also old and well known that varieties of methodologies and techniques may be implemented to effectively detect frauds when monitoring electronic transactions.

It would have been obvious to one of ordinary skill in the art at the time of the invention to performing fraud detection on the fund sources. Motivation is to prevent unauthorized and suspicious transaction whereby the account holder is protected against unauthorized fund withdrawal.

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Regarding claims 4, 6, 12-14, 18, 19, 25-27, 31, 32, 38-40, 43, and 51, official notice is taken that selection of funding source for purchase accounts (example: electronic purse) are old and well known wherein a plurality of electronic accounts may be funded is old and well known. Similarly, limitations of claims 6 and 12-14 are old and well known and essential for record keeping, maintenance and balancing of accounts.

It would have been obvious to one of ordinary skill in the art at the time of the invention to implement these features in order to facilitate customer shopping, selection of most desirable merchants and to maintain and reconcile account balances among various entities.

20. Claims 3, 17, 30, 43, 50 and 62-66 are rejected under 35 U.S.C. 103(a) as being unpatentable over Boesch and further in view of Biorge et al. (US Pat. 5,806,045).

Regarding claims 3 and 62: While Boesch fails to disclose that placing funds in at least one surrogate account from incentives as a funds source, and that the incentives comprise incentive codes resulting from the purchase of the products. Biorge, in the same field of endeavor, however, discloses, a method of applying credit to a purchase transaction wherein the funds source is incentives credit and further the incentives comprise codes resulting from the purchase of a product (see

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col. 2 L 50- col. 3 L 6, and abstract, ..redeem incentive credit ..incentive codes). It would have been obvious to one of ordinary skill in the art at the time of the invention to use incentives as a funds source as recited in Biorge to carryout a purchase transaction and implement this feature in Boesch because it would enable using incentive credits accumulated in previous transactions as an alternative source of funds thereby improving the versatility of the electronic commerce.

System claims 17, 63 correspond to method claims 3 and 62 respectively and have been analyzed accordingly.

Apparatus claims 30, 64 correspond to method claims 3 and 62 respectively and have been analyzed accordingly.

Computer readable medium claims 43,65 and electromagnetic medium claims 50, 66 also correspond to method claims 3 and 62 respectively and have been analyzed accordingly.

21. Claims 57-61 are rejected under 35 U.S.C. 103(a) as being unpatentable over Loeb et al. (US Pat. 6,360,209) (Loeb).

Loeb discloses a method for surrogate control of electronic commerce transactions. Loeb teaches updating a credit card issuing authority with an available spending limit associated with a credit card. Broadly interpreted the spending limit may be updated with any amount. Loeb fails to teach that the spending limit is associated with a debit card. It would have

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been obvious to one of ordinary skill in the art at the time of the invention to update the debit card issuing authority with an available spending limit associated with a debit card in a manner disclosed by Loeb, because the debit card issuer would not exceed the maximum credit limit extended to the card holder (col. 5 L 22-35 "...card issuer deducts the amount from the available credit limit).

22. Claims 58-61 each correspond to method claim 57 and have been accordingly analyzed.

Allowable Subject Matter

23. Claims 8-11,21-24,34-37,45-48 and 53-56 are objected to as being dependent upon a rejected base claim, but would be allowable if rewritten in independent form including all of the limitations of the base claim and any intervening claims.

Conclusion

24. Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, THIS ACTION IS MADE FINAL. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS

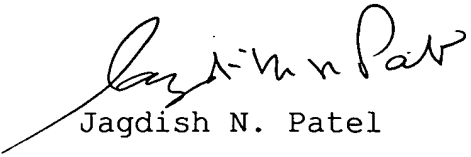
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of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Jagdish Patel whose telephone number is (703) 308-7837. The examiner can normally be reached Monday-Thursday from 8:00 AM to 6:00 PM.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Vincent Millin, can be reached at (703) 308-1038. The fax number for Formal or Official faxes to Technology Center 3600 is (703) 305-7687. Draft faxes may be submitted directly to the examiner at (703) 746-5563.

Any inquiry of a general nature or relating to the status of this application should be directed to the Group receptionist whose telephone number is (703) 308-1113 or 308-1114. Address for hand delivery is 2451 Crystal Drive, Crystal Park 5, 7th Floor, Alexandria VA 22202.



Jagdish N. Patel

(Examiner, AU 3624)

11/26/03